FINANCE SECRETARIAT

Issues instructions re : Authorisation to incur or distribute grants to the extent of the full year's Budget provision in the Budget Estimates for 1964-65.

OFFICIAL MEMORANDUM

No. FD 26 BUD 64, DATED BANGALORE, THE 4TH APRIL 1964.

The Mysore Legislature has now voted without reduction the demands for grants for the complete year 1964-65 as presented to the Legislature on 2nd March 1964. The Mysore Appropriation (No. 2) Act, 1964 as Mysore Act No. 17 of 1964 is published in the *Mysore Gazette* (Extraordinary) dated 1st April 1964 separately along with Schedule containing the Grants Voted and the Appropriation under Charged Section.

2. The Budget documents for the year 1964-65 which have already been supplied to all the Heads of Departments, Divisional Commissioners, Chief Engineers, etc., should be treated as final and no further supplies thereof will be made. The District Offices of the various Departments have also been supplied with Budget copies through the Deputy Commissioners. The instructions contained in Memorandum No. FD 434 BUD 58, dated 24th October 1958 regarding the distribution of Budget Grants may be kept in view by all the Controlling Officers and immediate action should be taken to communicate the grants for the full year to all the Disbursing Officers under their control *without any delay.*

3. In view of the prevailing emergency and the difficult financial position of the State instructions were issued in Government Order No. FD 189 BUD 62, dated 3rd December 1962 enforcing certain measures to effect economy in Government expenditure under "T. A.", "Contingencies", "Other Charges", etc. In spite of clear instructions, certain Heads of Departments and other Estimating Officers have incurred expenditure in excess of the Budget provisions under these heads without obtaining previous sanction of Government. Even additional allotments under these heads were asked for without adhering to the economy measures imposed in respect of expenditure under 'T. A.', "Contingencies" and "Other Charges". The incurring of additional expenditure particularly under these heads in anticipation of sanction of Government should be strictly avoided in future. *No Head of Department or other Estimating Officer can incur expenditure in excess of the Budget Provision under these heads without specific sanction of Government.* No proposals for additional grants under these heads will be entertained by Government under any circumstances except where Government may direct additional expenditure.

4. Some Heads of Departments have incurred excess expenditure over the Budget Grant or incurred expenditure on items falling under the category of 'New Service' in anticipation of either obtaining sanction of an advance from the Contingency Fund or regularisation of the excess expenditure out of savings under other heads by way of reappropriation. Such excess expenditure should not be incurred in future by any Head of the Department unless an advance from the Contingency Fund is sanctioned by the Finance Department pending recoupment through the Supplementary Estimates.

5. *It should be clearly understood that it would be most Irregular to incur any expenditure on a 'new service' item in anticipation of Regularisation of such expenditure.*

6. It has also come to the notice of Government that besides surrendering a port on of the original grant for 1963-64 in some of the cases, the additional grants obtained through the Supplementary Grants have not been utlised for the

purpose for which they were obtained and even these have been proposed for surrender in certain cases. This would show that the concerned Departments are not having a proper control over the expenditure and proposal for inclusion of Budget provisions are sent to Government without any proper scrutiny of the proposals received from the Subordinate Controlling Authorities in many cases explanations for variations were very unsatisfactory and the Estimates sent to Finance Department in several stages revealed that they had not been scrutinised properly.

7. In view of the present difficult financial position of the State, economy in expenditure is of utmost importance and it is requested that the Secretaries to Government, Heads of Departments and other Estimating Officers will kindly co-operate and see that strict economy is enforced in incurring the expenditure provided for in the Budget Estimates for 1964-65 and strictly avoid coming up to Finance Department for additional grants. The Chief Engineers are particularly requested to note that Finance Department will not entertain any proposal for additional grants for non-budgeted works or works falling under the category of 'New Service' without specific sanction of Government for taking such works. The Secretary to Government, Public Works Department is requested to see that Public Works Department does not exceed the provision in the Budget and should not take up any non-budgeted works without prior sanction. This is particularly very essential because of the difficult financial position of next two years as explained in detail in the Budget Speech of Finance Minister.

8. The concerned Administrative Departments of Government should see that several departments under their control will strictly restrict their expenditure to the provisions in the Budget for 1964 65 and in no case they should recommend the proposals for additional funds over and above the Budget Grants unless there are specific orders of Government sanctioning additional expenditure with the prior concurrence of the Finance Department. The Heads of Departments may also please note that, if any, expenditure is incurred anticipating Government sanction for the expenditure or for additional funds, they would do so at their risk and personal responsibility will be enforced.

9. The instructions contained in this Official Memorandum should be strictly followed in future.

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